

# Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Loans and Bills Discounted

### Year-End Balance

March 31	Millions of yen		
	2005	2004	2003
Domestic operations:			
Loans on notes .....	¥ 3,816,186	¥ 5,273,254	¥ 6,660,286
Loans on deeds .....	33,611,639	33,177,784	37,400,695
Overdrafts .....	8,096,806	8,249,108	8,410,644
Bills discounted .....	450,719	572,371	649,463
Subtotal .....	¥45,975,351	¥47,272,518	¥53,121,090
International operations:			
Loans on notes .....	¥ 444,509	¥ 436,046	¥ 550,369
Loans on deeds .....	3,536,778	3,007,477	3,495,523
Overdrafts .....	105,735	93,462	115,210
Bills discounted .....	5,211	639	172
Subtotal .....	¥ 4,092,234	¥ 3,537,625	¥ 4,161,274
Total .....	¥50,067,586	¥50,810,144	¥57,282,365

### Average Balance

Year ended March 31	Millions of yen		
	2005	2004	2003
Domestic operations:			
Loans on notes .....	¥ 4,764,916	¥ 6,007,354	¥ 6,987,204
Loans on deeds .....	33,381,278	35,527,330	36,317,903
Overdrafts .....	8,237,709	8,392,655	9,914,028
Bills discounted .....	475,440	547,893	639,612
Subtotal .....	¥46,859,345	¥50,475,233	¥53,858,748
International operations:			
Loans on notes .....	¥ 447,208	¥ 439,060	¥ 802,842
Loans on deeds .....	3,390,644	3,148,040	4,572,375
Overdrafts .....	108,728	181,726	156,554
Bills discounted .....	2,981	889	882
Subtotal .....	¥ 3,949,563	¥ 3,769,716	¥ 5,532,654
Total .....	¥50,808,908	¥54,244,949	¥59,391,403

Notes: 1. Figures for the year ended March 31, 2003, include those of the former SMBC for the period from April 1, 2002 to March 16, 2003.

2. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

## Balance of Loans and Bills Discounted, Classified by Purpose

	2005		2004		2003	
March 31	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Funds for capital investment .....	¥20,800,237	41.5%	¥21,632,436	42.6%	¥22,156,745	38.7%
Funds for working capital .....	29,267,348	58.5	29,177,708	57.4	35,125,619	61.3
Total .....	¥50,067,586	100.0%	¥50,810,144	100.0%	¥57,282,365	100.0%

Note: Percentage indicates the composition ratio.

## Breakdown of Loan Collateral

March 31	Millions of yen		
	2005	2004	2003
Securities .....	¥ 965,238	¥ 1,025,755	¥ 805,685
Commercial claims .....	1,191,558	1,311,345	1,253,179
Commercial goods .....	—	2,595	4,579
Real estate .....	7,127,468	7,490,743	8,531,366
Others .....	433,650	363,678	479,374
Subtotal .....	¥ 9,717,916	¥10,194,118	¥11,074,186
Guaranteed .....	¥22,332,670	¥22,103,891	¥22,177,530
Unsecured .....	18,016,999	18,512,134	24,030,649
Total .....	¥50,067,586	¥50,810,144	¥57,282,365

## Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen		
	2005	2004	2003
One year or less .....	<b>¥ 8,686,277</b>	¥10,666,356	¥15,605,752
Floating interest rates .....	/	/	/
Fixed interest rates .....	/	/	/
One — three years .....	<b>¥ 8,106,563</b>	¥ 8,223,191	¥ 9,400,680
Floating interest rates .....	<b>6,278,298</b>	5,500,484	6,347,133
Fixed interest rates .....	<b>1,828,265</b>	2,722,707	3,053,547
Three — five years .....	<b>¥ 6,233,570</b>	¥ 5,451,873	¥ 5,876,286
Floating interest rates .....	<b>4,732,079</b>	3,950,114	3,973,971
Fixed interest rates .....	<b>1,501,490</b>	1,501,759	1,902,314
Five — seven years .....	<b>¥ 2,593,547</b>	¥ 2,237,279	¥ 2,502,737
Floating interest rates .....	<b>2,118,091</b>	1,715,055	1,683,355
Fixed interest rates .....	<b>475,456</b>	522,223	819,382
More than seven years .....	<b>¥16,245,085</b>	¥15,888,872	¥15,492,524
Floating interest rates .....	<b>15,496,800</b>	14,822,715	14,629,478
Fixed interest rates .....	<b>748,285</b>	1,066,156	863,046
No designated term .....	<b>¥ 8,202,541</b>	¥ 8,342,570	¥ 8,404,383
Floating interest rates .....	<b>8,202,541</b>	8,342,570	8,399,298
Fixed interest rates .....	—	—	5,084
Total .....	<b>¥50,067,586</b>	¥50,810,144	¥57,282,365

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

## Balance of Loan Portfolio, Classified by Industry

March 31	2005		2004		2003	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Domestic offices:						
Manufacturing .....	<b>¥ 5,321,715</b>	<b>11.4%</b>	¥ 5,794,191	12.1%	¥ 6,031,262	11.2%
Agriculture, forestry, fisheries and mining...	<b>125,574</b>	<b>0.3</b>	133,833	0.3	192,795	0.4
Construction .....	<b>1,618,372</b>	<b>3.5</b>	1,717,184	3.6	2,385,278	4.4
Transportation, communications and public enterprises .....	<b>2,737,386</b>	<b>5.9</b>	3,134,713	6.5	2,968,971	5.5
Wholesale and retail .....	<b>5,310,881</b>	<b>11.4</b>	5,492,168	11.5	5,812,485	10.8
Finance and insurance .....	<b>5,158,754</b>	<b>11.0</b>	4,892,526	10.2	5,419,634	10.1
Real estate .....	<b>5,982,960</b>	<b>12.8</b>	6,995,060	14.6	8,240,327	15.3
Services .....	<b>5,705,901</b>	<b>12.2</b>	5,470,887	11.4	5,622,703	10.5
Municipalities .....	<b>583,515</b>	<b>1.2</b>	688,159	1.4	508,144	0.9
Others .....	<b>14,128,584</b>	<b>30.3</b>	13,632,796	28.4	16,614,280	30.9
Subtotal .....	<b>¥46,673,647</b>	<b>100.0%</b>	¥47,951,522	100.0%	¥53,795,885	100.0%
Overseas offices:						
Public sector .....	<b>¥ 75,824</b>	<b>2.2%</b>	¥ 63,654	2.2%	¥ 119,468	3.4%
Financial institutions .....	<b>237,276</b>	<b>7.0</b>	227,393	8.0	236,116	6.8
Commerce and industry .....	<b>2,994,018</b>	<b>88.2</b>	2,395,989	83.8	2,945,122	84.5
Others .....	<b>86,819</b>	<b>2.6</b>	171,583	6.0	185,772	5.3
Subtotal .....	<b>¥ 3,393,938</b>	<b>100.0%</b>	¥ 2,858,622	100.0%	¥ 3,486,479	100.0%
Total .....	<b>¥50,067,586</b>	<b>—</b>	¥50,810,144	<b>—</b>	¥57,282,365	<b>—</b>

Notes: 1. Japan offshore banking accounts are included in overseas offices' accounts.

2. Percentage indicates the composition ratio.

## Loans to Individuals/Small and Medium-Sized Corporations

March 31	Millions of yen		
	2005	2004	2003
Total domestic loans (A) .....	<b>¥46,673,647</b>	¥47,951,522	¥53,795,885
Loans to individuals, and small and medium-sized corporations (B) .....	<b>35,291,150</b>	35,427,834	36,733,241
(B) / (A) .....	<b>75.6%</b>	73.9%	68.3%

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized corporations are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

## Consumer Loans Outstanding

March 31	Millions of yen		
	2005	2004	2003
Consumer loans .....	<b>¥14,230,648</b>	¥13,875,878	¥13,665,876
Housing loans .....	<b>13,240,449</b>	12,725,041	12,339,291
Housing loans for own housing .....	<b>9,451,330</b>	8,891,575	8,346,632
Others .....	<b>990,198</b>	1,150,837	1,326,585

Note: Housing loans include general-purpose loans used for housing purposes, such as housing loans and apartment house acquisition loans.

## Breakdown of Reserve for Possible Loan Losses

Year ended March 31, 2005	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses .....	<b>¥ 770,194</b> [(1,161)]	<b>¥417,555</b>	<b>¥ —</b>	<b>¥770,194*</b>	<b>¥417,555</b>
Specific reserve for estimated loan losses on certain doubtful loans .....	<b>474,310</b> [(350)]	<b>567,636</b>	<b>380,829</b>	<b>93,480*</b>	<b>567,636</b>
For nonresident loans .....	<b>27,626</b> [(350)]	<b>23,515</b>	<b>5,707</b>	<b>21,918*</b>	<b>23,515</b>
Reserve for possible losses on specific overseas loans .....	<b>7,758</b>	<b>3,930</b>	<b>—</b>	<b>7,758*</b>	<b>3,930</b>
Total .....	<b>¥1,252,262</b> [(1,511)]	<b>¥989,121</b>	<b>¥380,829</b>	<b>¥871,433</b>	<b>¥989,121</b>

\*Transfer from reserves by reversal or origination method

Note: Figures in brackets [ ] indicate foreign exchange translation adjustments.

Year ended March 31, 2004	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
			Objectives	Others	
General reserve for possible loan losses .....	<b>¥1,106,970</b> [6,265]	<b>¥ 769,033</b>	<b>¥ —</b>	<b>¥1,106,970*</b>	<b>¥ 769,033</b>
Specific reserve for estimated loan losses on certain doubtful loans .....	<b>945,345</b> [4,650]	<b>473,959</b>	<b>747,788</b>	<b>197,556*</b>	<b>473,959</b>
For nonresident loans .....	<b>62,841</b> [4,650]	<b>27,276</b>	<b>51,033</b>	<b>11,808*</b>	<b>27,276</b>
Reserve for possible losses on specific overseas loans .....	<b>11,566</b>	<b>7,758</b>	<b>—</b>	<b>11,566*</b>	<b>7,758</b>
Total .....	<b>¥2,063,881</b> [10,916]	<b>¥1,250,751</b>	<b>¥747,788</b>	<b>¥1,316,093</b>	<b>¥1,250,751</b>

\*Transfer from reserves by reversal or origination method

Note: Figures in brackets [ ] indicate foreign exchange translation adjustments.

## Write-off of Loans

Year ended March 31	Millions of yen		
	2005	2004	2003
Write-off of loans .....	<b>¥697,941</b>	¥566,344	¥284,418

Note: Write-off of loans includes amount of direct reduction.

## Specific Overseas Loans

March 31	Millions of yen		
	2005	2004	2003
Indonesia .....	<b>¥39,959</b>	¥73,826	¥104,744
Argentina .....	<b>25</b>	514	2,180
Others .....	<b>180</b>	346	1,153
Total .....	<b>¥40,164</b>	¥74,688	¥108,077
Ratio of the total amounts to total assets .....	<b>0.04%</b>	0.07%	0.11%
Number of countries .....	<b>5</b>	6	9

## Risk-Monitored Loans

March 31	Millions of yen		
	2005	2004	2003
Bankrupt loans.....	¥ 45,931	¥ 67,183	¥ 172,403
Non-accrual loans.....	1,238,022	1,460,787	2,390,173
Past due loans (3 months or more) .....	26,902	47,618	114,756
Restructured loans .....	425,006	1,199,301	2,492,199
Total.....	¥1,735,863	¥2,774,889	¥5,169,531

Notes: **Definition of risk-monitored loan categories**

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

## Problem Assets Based on the Financial Reconstruction Law

March 31	Billions of yen		
	2005	2004	2003
Bankrupt and quasi-bankrupt assets .....	¥ 448.3	¥ 361.6	¥ 524.9
Doubtful assets .....	924.4	1,202.7	2,129.5
Substandard loans.....	451.9	1,246.9	2,606.9
Total of problem assets .....	¥ 1,824.6	¥ 2,811.2	¥ 5,261.3
Normal assets.....	¥53,452.6	¥52,874.4	¥57,313.4
Total.....	¥55,277.2	¥55,685.6	¥62,574.7

Notes: **Definition of problem asset categories**

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include loans and bills discounted, foreign exchanges, accrued interest, and advance payment in "other assets," customers' liabilities for acceptance and guarantees, and securities lent under the loan for consumption or leasing agreements.

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the three categories above